



**LD 331 Resolve, Directing the Department of Health and Human Services to Ensure
Timely Reimbursement Under MaineCare Regarding Hospital Cost Reports
Testimony in Support
March 13, 2025**

Senator Ingwersen, Representative Meyer and members of the Health and Human Services Committee, my name is Lisa Harvey-McPherson RN. I am speaking today in support of this bill on behalf of Northern Light Health and our member organizations. Northern Light Health member organizations include 10 hospitals located in southern, central, eastern and northern Maine, nursing facilities, air and ground ambulance, behavioral health, addiction treatment, pharmacy, primary and specialty care practices and a state-wide home care and hospice program. Ninety three percent of Maine's population lives in the Northern Light Health service area. Northern Light Health is also proud to be one of Maine's largest employers with more than 10,000 employees statewide.

During the biennial budget hearing I testified regarding the financial challenges impacting Northern Light Health, the gap between our cost to provide care and governmental payment (Medicare/Medicaid) is \$300 million dollars. As we work to improve our financial performance, timely payment for the services we provide is a priority. We incur the cost to provide care in real time – our doctors, nurses, medical procedures, clinical imaging – all of it. And we are challenged when we wait years to receive the MaineCare settlement payments that we are due. This bill resolves the problem of delayed settlement payments.

I do want to note that the hospital rate reform initiative in general does increase the payments we receive for claims submitted for care and this will result in a decrease in the final cost settlements due, but we will still be owed MaineCare funds for the medical care we provide.

There is a predictable timeline to the MaineCare final settlements. I will use 2024 as an example; we provide a service during fiscal year 2024 then we submit our cost report to MaineCare in February of 2025 as we need to complete our financial audits prior to filing our cost reports. The MaineCare program will wait until January of 2026 to pay us the cost report settlements due. We anticipate that MaineCare will pay us \$34M in 2026 for services we provided in 2024. Today we are due \$50M in cost report settlement payments for acute hospital and provider services from prior years.

This bill resolves the delayed cost settlement payment challenge by requiring MaineCare to apply the same payment timeliness standard that the legislature approved for nursing homes in 2023. The department must reimburse at least 75% of the as-filed

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Inland Hospital
Maine Coast Hospital
Mayo Hospital
Mercy Hospital
Northern Light Health Foundation
Northern Light Pharmacy
Sebasticook Valley Hospital

settlement pursuant to the cost reports within 90 days of receipt. I have attached a copy of the Resolve to my testimony for your reference.

We ask that you support this important legislation for hospitals as we are also challenged by delayed settlement payments.

Thank you.

APPROVED
JULY 27, 2023
BY GOVERNOR

CHAPTER
121
RESOLVES

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND TWENTY-THREE

S.P. 593 - L.D. 1474

**Resolve, Directing the Department of Health and Human Services to
Expedite Reimbursement of Long-term Care Facilities**

Sec. 1. Department of Health and Human Services to reimburse nursing facilities after receipt of cost reports. Resolved: That the Department of Health and Human Services shall amend its rules in Chapter 101: MaineCare Benefits Manual, Chapter III, Section 67, Principles of Reimbursement for Nursing Facilities, to require the department to reimburse at least 75% of the as-filed settlement pursuant to the facility's cost reports within 90 days of receipt.

Sec. 2. Department of Health and Human Services to reimburse private non-medical institutions after receipt of cost reports. Resolved: That the Department of Health and Human Services shall amend its rules in Chapter 101: MaineCare Benefits Manual, Chapter III, Section 97, Private Non-Medical Institution Services, Appendix C to require the department to reimburse at least 75% of a private non-medical institution's as-filed settlement within 90 days of receipt.

Sec. 3. Existing resources. Resolved: That the Department of Health and Human Services shall implement the requirements of this resolve within existing resources.